When Cultures Collide

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Organizations are made up of individuals whose combined attitudes, values and beliefs create an organizational culture that is unique to them. When organizations merge, two cultures are thrown together, and that could result in a collision that will eventually destroy the new company.

On paper, many mergers make good business sense. One of the “textbook” reasons for business mergers is to utilize the strengths of both original companies to create synergies for the new organization. Yet, initially at least, mergers have a negative impact on the new organization. According to The Financial Post’s book, 100 Best Companies to Work for in Canada, it takes three or four years to “re-establish a working environment that employees would characterize as excellent.” In the mean time, “productivity goes down” and “the merger (has) a negative impact on employee morale.” * Worse, at the end of this “getting acquainted” period, the resulting culture might not be the one that senior management wants.

Senior Managers can make one of two decisions. They can wait the three or four years for “nature to take its course” or they can take control.

Controlling the process involves a number of steps:

1. Measure the culture of the two original organizations. Human Synergistics Organizational Culture Inventory™ (OCI) measures the actual culture (the shared attitudes, values, and beliefs) against an “Ideal” one. Culture is measured around 12 styles. These 12 styles can be split into a number of clusters. First, there is a task vs. people split, then a satisfaction vs. security one, and finally a constructive vs. a defensive split.

2. De-brief each original organization on their existing, pre-merger culture—its strengths and weaknesses. This will help each side understand the instrument, as well as what each is “bringing to the table”.

3. Share the results of both surveys with all parties. Understanding the other
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party’s culture vis-a-vis your own is the first major step in constructively merging cultures.

4. Decide on an “Ideal” new culture. Defining the new “Ideal” is easier than it appears. Human Synergistics research has found a positive correlation between “Ideal” cultures (high in achievement, humanistic-encouraging, affiliative and self-actualized orientation); and such dependent variables as employee satisfaction, motivation, employee retention, and customer service.

5. Develop an action plan to have the new organization work towards the “ideal” culture. While there are several levers that can affect change in culture, the main two are management styles and practices. Human Synergistics has a management assessment and development tool that measures individual management attitudes, values, beliefs and resulting behaviour around the same parameters as the OCR. This enables managers to quickly grasp what individual changes have to be made to facilitate the new culture.

The culture of an organization has evolved over time. Many organizations see shortcomings in their present culture and have initiated changes, often with limited success. A merger can serve as an ideal catalyst to initiating cultural change because most people accept the fact that they are going to have to make changes.